question necessary to dispose of the demand under discussion." We are going to have the adjournment motion at half-past three. It may be that the adjournment motion is not disposed off till 5-30. I think therefore that 3-30 will be the moment when the whole demand has to be put to vote?

Dr. A. R. Menon.—Exactly at 3-30 the whole demand may be put and the adjournment motion may be taken up.

President.—I accept the view of the Law Member.

Motions Nos. 7A—13A.

The following motions lapsed under Rule 49 (2).

7 A. Mr. Joseph Pettah.—*To reduce the allotment of Rs. 1,04,122 for Collegiate Education by Re. 1.*

8. Mr. Popatlal Goverdhan Lalan.—*To reduce the allotment of Rs. 1,99,774 for Secondary Education by Re. 1.*

9. Mr. E. Ikkanda Warriar.—*To reduce the total allotment of Rs. 15,36,680 under Demand No. 19 by Re. 1.*

10. Mr. Popatlal Goverdhan Lalan.—*To reduce the allotment of Rs. 15,36,680 for Education by Re. 1.*

11. Mr. P. Raman Menon.—*To reduce the allotment of Rs. 15,36,680 for Education by Re. 1.*

12. Mr. P. Raman Menon.—*To reduce the allotment of Rs. 15,36,680 for Education by Re. 1.*

13. Mr. A. Sankara Poduval.—*To reduce the allotment of Rs. 15,36,680 for Education by Re. 1.*

13 A. Mr. Joseph Pettah.—*To reduce the allotment of Rs. 15,36,680 for Education by Re. 1.*

Demand put and carried.

14—Education—Cranganur—Rs. 51,650.

Mr. K. Narasimha Pai.—I rise to move for a grant of Rs. 51,650 under Education—Cranganur.

Mr. K. M. Ibrahm.—Can I oppose the grant to elicit some information?

President.—The rules do not allow it.

Motions Nos. 13B—14.

The following motions lapsed under Rule 49 (2).

13B. Mr. K. Mohamed Seethi.—*To reduce the allotment of Rs. 14,989 for Education (Cranganur) by Re. 1.*

14. Mr. K. M. Ibrahim.—*To reduce the allotment of Rs. 51,650 for Education (Cranganur) by Re. 1.*

Demand put and carried.

Adjournment Motion re. Land Mortgage Bank (*cont.*)

Mr. T. K. Nayar.—*That the business of the Council be adjourned for the purpose of discussing a definite matter of ur-*

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gent public importance, namely, the necessity for floating an additional loan of Fifty lakhs immediately for financing the urgently required Land Mortgage Bank.

സർ, ഞാൻ ഇവിടെ ഒരു അടിയന്തിര പ്രമേയം അവതരിപ്പിക്കുവാനുണ്ടായ കാരണം ഫ്രഥമ കുംഭമാസത്തിൽ ഈ കൌൺസിലിൽ ഒരു ലാൻറ്മോർട്ട്ഗേജ് ബാങ്ക് സ്ഥാപിക്കണമെന്നൊരു പ്രമേയം പാസായതിൽ ഗവമ്മെണ്ട് ഉത്തരവായിട്ടുള്ളതിലെ ചില ന്യായങ്ങളാണ്. ആ ഉത്തരവ് ഇവിടെ വായിക്കാം.

Order D. 4—C. 11441/1107, dated 4th November 1932.

"The following resolution was passed by the Legislative Council in its sitting on Friday, the 26th February 1932.

'That this Council recommends to the Government that early steps be taken for the establishment of a Land Mortgage Bank in Cochin.'

Land Mortgage Banks are intended to supply the ryots with cheap and long term credit for productive purposes and for clearing off old debts. Facilities for cheap credit will serve an admirable purpose if the credit when obtained is used for productive purposes. The result will be just the reverse if the money when obtained is spent unproductively.

Investigations in some parts of the Madras Presidency have shown that though a percentage of the ryots there had incurred debts for improving lands and for similar productive purposes, the vast majority of them had involved themselves by borrowing for non-productive purposes—for marriages, festivals and other social purposes and law suits. Such tendencies will only add to the burden. The cure for these undesirable results lies rather in propaganda against improvidence and in improving the ryots' earning power than in increasing credit facilities.

Land Mortgage Banks are institutions admirably adapted to the circumstances in which they are designed to work. But the question is whether those circumstances exist in Cochin to-day. We have at present no reliable data on which to base an answer to that question.

The first thing to be done therefore is to collect data on which to base discussions. The only satisfactory way of doing this will be by an economic survey of the State—a detailed survey in every village of the indebtedness and its causes, main industries, subsidiary industries and facilities for establishing additional industries. This would take some time. Therefore the resolution is recorded for the time being."

എത്രയോ ഗൌരവമായിട്ടുള്ള സംഗതിയെ സംബന്ധിച്ച് ഒരു പ്രമേയം ഈ നിയമസഭയിൽ പാസാക്കിയതിനു ശേഷമുള്ള ബഹുമാനപ്പെട്ട കൊച്ചി ഗവമ്മെൻറിൽനിന്നുണ്ടായിട്ടുള്ള ഉത്തരവാണിവിടെ വായിച്ചത്. ഒരു ലാൻറ്മോർട്ട്ഗേജ് ബാങ്ക് സ്ഥാപിക്കണമെന്നുപറഞ്ഞു തുടങ്ങീട്ട്—സാധാരണ ആവശ്യപ്പെടാറുള്ളമാതിരി—കൊല്ലം കുറെയായി. ബഹുമാനപ്പെട്ട അഡ്വർമെമ്പർ അവർകൾ ഈ സഭയിൽ Land Mortgage Bank നെ സംബന്ധിച്ച് ഒരു പ്രമേയം അവതരിപ്പിക്കുകയും അതു ഭൂരിപക്ഷപ്രകാരം പാസ്സാക്കുകയും ചെയ്തിട്ടുണ്ടല്ലൊ. ആ വിഷയത്തിൽ ഗവമ്മെണ്ട് പാസ്സാക്കിയ ഉത്തരവാണിതു്. ഗവമ്മെൻറ് പറഞ്ഞിട്ടുള്ള മറുപടി അടുത്ത കാലത്തെങ്ങും ഒരു ലാൻറ്മോർട്ട്

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മോജ് ബാങ്ക് വരാത്തതരത്തിലുള്ളതാണെന്നാണ് ശ്രീ വായിച്ചതിൽനിന്നും എനിയ്ക്ക് മനസ്സിലായത്. ഇതിൽ അടങ്ങിയ നയമനുസരിച്ചാണ് നമ്മുടെ ഗവൺമെൻറ് പ്രവർത്തിക്കുന്നതെങ്കിൽ ഏതാണ്ട് ഇനി ഒരു നൂറു കൊല്ലക്കാലംവരെ ഈ കൊച്ചിരാജ്യത്തിൽ ഒരു (Land Mortgage Bank) ലാൻറ്മോർട്ട്ഗേജ് ബാങ്ക് തുടങ്ങുവാൻ തീച്ചയായും സാധിക്കുകയില്ല. ബാങ്കിന്റെ അടിയന്തിരാവശ്യത്തെപ്പറ്റി ഒന്നുകൂടി ഗവൺമെൻറിന്റെ ദൃഷ്ടിയിൽ കൊണ്ടുവരുവാനാണ് ഞാൻ ഈ അടിയന്തിരപ്രമേയം അവതരിപ്പിക്കുന്നത്. ലാൻറ് മോർട്ട്ഗേജ് ബാങ്ക് (Land Mortgage Bank) വേണമെന്ന് ഈ സഭ അഭിപ്രായപ്പെട്ടു. അതിന്റെ ഗുണദോഷങ്ങളെപ്പറ്റി ആലോചിച്ചു. റായൽ അഗ്രിക്കൾച്ചറൽ കമ്മീഷന്റെ റിപ്പോർട്ടിൽ ഈ തരം ബാങ്കിനെപ്പറ്റി ചിലതൊക്കെ എഴുതീട്ടുണ്ട്. അധികപക്ഷവും വൈഷമ്യങ്ങളാണ് എഴുതിയിരിക്കുന്നത്. അതനുസരിച്ചു മാത്രം നടക്കുന്നതായാൽ ഞാൻ ഉദ്ദേശിച്ചവിധത്തിൽ ഒരു ബാങ്ക് സ്ഥാപിക്കുവാൻ സാധിക്കുമോ എന്നും സംശയമാണ്. മേൽപറഞ്ഞ റിപ്പോർട്ടിനെ അടിസ്ഥാനപ്പെടുത്തി നമ്മുടെ ഗവൺമെണ്ട് ഒരു ഉത്തരവും പാസ്സാക്കി. ബാങ്ക് നടത്താതെ കഴിക്കേണ്ടതിലേക്ക് അധികമാർഗ്ഗങ്ങൾ റിപ്പോർട്ടിൽ കണ്ടപ്പോൾ അതിനെതന്നെ രക്ഷപ്രാപിച്ചു. ഞാൻ ഒരു സംഗതി ചോദിച്ചുകൊള്ളട്ടെ. ഗവൺമെണ്ടിനു് ഏതൊരു കാര്യത്തിലാണ് ദുർഘടങ്ങളില്ലാത്തതു്? ഏതൊരുഡിപ്പാർട്ട്മെൻറിലാണ് ഈ ദുർഘടങ്ങൾ ഇല്ലാത്തതു്? ദുർഘടങ്ങളെ ഭയപ്പെട്ടു പിൻമാറുകയോ, അതിനെ പരിഹരിക്കുവാൻ ഒരു മാർഗ്ഗം കണ്ടുപിടിക്കുകയോ ഏതാണു ചെയ്യേണ്ടതു്? കൃഷിക്കാരുടെ ഇന്നത്തെ സ്ഥിതി പരിശോധിച്ചുനോക്കിയാൽ വലിയ കഷ്ടത്തിലാണെന്നു കാണാം. അതു ഗവൺമെണ്ടും മനസ്സിലാക്കിയതുകൊണ്ടാണെല്ലോ നൂറുരൂപ ഫൈൻ വീതം നികുതി കുറച്ചുകൊടുക്കുവാൻ ഉദ്ദേശിക്കുന്നതു്. എനിക്കു് ഈ അവസരത്തിൽ ഗവൺമെൻറിനോടു് അപേക്ഷിക്കുവാനുള്ളതു് ഈ ഫൈൻ വീതം കുറച്ചുചെയ്താൽപോര, ഇതിലും എത്രയോ അധികം സഹായംചെയ്യണമെന്നാണു്. ഒരു ശതമാനം നികുതി കുറവുചെയ്താൽ കൂടി ഒരു സഹായമാകുമെന്നു് എനിക്കു ബോദ്ധ്യമില്ല. ലഘുവായ വല്ല സഹായങ്ങളും ചെയ്തുകൊണ്ടു് മാത്രം രക്ഷകിട്ടുന്നതായ കാലമല്ല. അതെല്ലാം വളരെകാലം മുമ്പു വേണ്ടതായിരുന്നു. ജനങ്ങളെ സഹായിച്ചുവെന്നു വരണമെന്നുമാത്രമേയുള്ളുവെങ്കിൽ ഇഷ്ടംപോലെ ചെയ്യുക. ജനങ്ങൾക്കു് ഒരു രക്ഷയാകണമെങ്കിൽ ഞാൻ ആവശ്യപ്പെട്ടതായ Land Mortgage Bank ഉടനെ സ്ഥാപിക്കണം. അതിൽനിന്നു് ജനങ്ങൾക്കു് കാലക്രമേണ രക്ഷകിട്ടുവാൻ ഇടയുണ്ടെന്നു ബോദ്ധ്യമുള്ളതുകൊണ്ടാണു് ഈസം

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ഗതിയെകുറിച്ചു ഇതുയും ഗവണ്മെൻറിനോടു് അപേക്ഷിയ്ക്കുന്നതു്. ഗവണ്മെൻറു പറയുന്ന മറുപടി മദ്രാസ്സിൽ ലാൻറ്മോർട്ട്ഗേജു് ബാങ്കു തുടങ്ങി അതു ശരിയായി നടക്കുന്നില്ലാ, ബറോഡയിൽ തുടങ്ങി അതും ശരിയായി നടക്കുന്നില്ല. തിരുവിതാംകൂറിൽ തുടങ്ങി, അവിടേയും അങ്ങിനെതന്നെ; എന്നൊക്കെയല്ലാതെ ശരിയായി നടക്കാതിരിക്കുവാനുള്ള കാരണമെന്താണെന്നു മനസ്സിലാക്കീട്ടുണ്ടെന്നു തോന്നുന്നില്ല. ഈ വക ബാങ്കുകൾ സാല്പസംഖ്യകൊണ്ടു തുടങ്ങിയാൽ തീച്ചയായും ശരിയായി നടക്കുകയില്ല. ബാങ്കു നടത്തുമായിരിക്കാം. ജനങ്ങൾക്കു ഉപകാരപ്രദമാകണമെങ്കിൽ ആവശ്യത്തിനനുസരിച്ചു് ബാങ്കിൽ സംഖ്യ വേണം.

തിരുവിതാംകൂറിൽ ഈ കൊല്ലത്തിൽ രണ്ടു ലക്ഷത്തോളം ഉറുപ്പിക ലാൻറ്മോർട്ട്ഗേജു് ബാങ്കിനു് ബഡ്ജറ്റിൽ ചേർത്തിട്ടുണ്ടു്. ബറോഡയിൽ ർ ൾ ലക്ഷം രൂപായാണു് ഈ ബാങ്കു് തുടങ്ങുവാൻ ഗവണ്മെണ്ടു് കൊടുത്തിട്ടുള്ളതു്. ഇതെല്ലാം പുറമെ പറയുവാൻ നല്ലതാണെന്നു മാത്രമല്ലാതെ ജനങ്ങൾക്കു് ഒരു തരത്തിലും ഉപകാരപ്രദമാകയില്ല. ഒരു ഉദാഹരണം പറയാം. നമ്മുടെ ഗവണ്മെണ്ടു് Agricultural Loan കൊടുക്കുവാൻ തുടങ്ങിയിട്ടു് എത്ര കൊല്ലമായെന്നറിയാമോ? ഇരുപതു കൊല്ലത്തിലധികമായെന്നാണു് എൻെറ അറിവു്. എന്നാൽ ഗവണ്മെണ്ടു് ഈ തരത്തിൽ കൃഷിക്കാർക്കു് സൌകര്യം ചെയ്തുകൊടുക്കുന്നുണ്ടെന്നു് അറിഞ്ഞിട്ടുള്ളവർ വളരെ വളരെ കുറയും. അതെന്തുകൊണ്ടു്? വളരെ കുറച്ചു സംഖ്യയേ ഈ കാര്യത്തിലേക്കു് വിനിയോഗിക്കുന്നുള്ളു. അതുതന്നെയാണു് മൻപറഞ്ഞ Land Mortgage Bank നേരയും സ്ഥിതി.

വളരെ ചുരുങ്ങിയ സംഖ്യ കൊണ്ടു തുടങ്ങിയാൽ വളരെ ചുരുക്കം പേർക്കു് മാത്രമേ അതിൽ നിന്നു ഗുണം ലഭിക്കുകയുള്ളു. വളരെ അധികം സംഖ്യ ഇറക്കി ആവശ്യപ്പെടുന്നവർക്കൊക്കെ കൊടുത്തു് പണം കളയണമെന്നു് ആരും പറയുന്നില്ല. ന്യായമായ ഈടിന്മേൽ ബാങ്കു് നിയമങ്ങളനുസരിച്ചു് ചോദിക്കുന്നവർക്കു കൊടുക്കുവാനൊരുക്കമില്ലെങ്കിൽ ബാങ്കു കൊണ്ടുപകാരമുണ്ടാകുകയില്ല. Cautious, Cautious, എന്നു് എല്ലാവരും ഈ ബാങ്കിനെ സംബന്ധിച്ചു പറയുന്നുണ്ടു്. വളരെ ആലോചിച്ചു പ്രവൃത്തിക്കേണ്ടതാണെന്നു ഞാനും സമ്മതിക്കാം. എന്നാൽ ഒരു ജന്മം മുഴുവൻ ആലോചനയിൽ കഴിഞ്ഞാൽ മതിയോ? ഏതു കാര്യത്തിനും കുറച്ചെങ്കിലും ജാഗ്രത വേണ്ടേ? നമ്മുടെ ഗവണ്മെണ്ടിൻെറ ആലോചനക്കു് ലേശവും ധൃതിയില്ലെന്നാണു് എൻെറ അഭിപ്രായം.

ഈ വിധം ബാങ്കുകൾ നടത്തിയും നടത്തിച്ചും പരിചയമുള്ളവർ പലരും ലോകത്തിലുണ്ടു്. അവരിൽ ചിലരുടെ അഭിപ്രായം എന്താണെന്നു നോക്കുക.

"In the earlier stages, a certain measure of assistance from Government is required. A guarantee of interest by Government for a certain period is of the highest importance and a sinking fund should be so arranged as to secure the redemption of the debentures on the expiry of that period. Subscription by Government to the debentures is also desirable".

"In provinces in which a full valuation of the mortgaged property is needed, expert valuers should be employed who should not be Government servants. Government should, however, in the initial stages, make a contribution towards the cost of valuation. In return for its assistence, Government should be entitled to representation on the Board either of Directors or of trustees.

All existing concessions in the form of exemption from stamp duties, registration fees, etc., should be continued in favour of mortgage banks."

"The evidence we received disclosed complete unanimity as to the need for Government assistance in the earlier stages. Land Mortgage Banks usually raise funds by the flotation of debentures, and such debentures are as yet practically unknown in India. Over large parts of the country, it is rarely that any form of security, either public or private, is seen and it is, therefore, to be expected that the experiment of issuing debentures by a non-official body should proceed somewhat slowly," എന്നാണ് ഇതിൽ പറഞ്ഞിരിക്കുന്നത്.

ചോദിക്കുന്ന ആളുകൾക്കു് ഒക്കെ പണം കൊടുക്കേണ്ടതിനു വേണ്ടി ഒരു ലാൻറ് മാട്ട്ഗേജ് ബാങ്കു തുടങ്ങുവാൻ ഈ കൌൺസിൽ മെമ്പർമാരിലാരെങ്കിലും പറയുമോ? ഒരു പൈ പോലും പോകാത്ത തരത്തിൽ കൊടുത്തു് നാട്ടുകാരെ രക്ഷിക്കണമെന്നു മാത്രമേ എനിക്കഭിപ്രായമുള്ളൂ. ഭൂസ്വത്തിന്മേൽ ൫൦ ശതമാനമോ, ൭൦ ശതമാനമോ കൊടുക്കാമെന്നു വച്ചാൽ ഇപ്പോഴത്തെ ധനസ്ഥിതിക്കു് അധികം പേക്കു് ഉപകാരപ്പെടുമെന്നു തോന്നുന്നില്ല. അതുകൊണ്ടു് കുഴപ്പത്തിലാണു് കൃഷിക്കാരുടെ സ്ഥിതി. ബാങ്കിലെ പണം പോകാതേയും കൃഷിക്കാർക്കു് രക്ഷയായും തോന്നുന്നതായ അവസരങ്ങളിൽ മാത്രം സംഖ്യ കൊടുക്കുക. മറ്റുള്ളവരുടെ കാര്യത്തിൽ, കടം കൊടുത്താലും രക്ഷ കിട്ടുകയില്ലെന്നു ബോദ്ധ്യപ്പെട്ടാൽ, കടക്കാരേയും കടക്കാരനേയും കൂട്ടിയോജിപ്പിച്ചു് മുതലുള്ളതിനെ ഭാഗിച്ചുകൊടുത്തു് ദേഹം ഒഴിവാക്കിക്കൊടുക്കേണ്ടതും ഗവർമ്മെണ്ടിൻറെ ചുമതലയാണു്. അതിലേക്കു് ഇന്നുള്ള Insolvency Regulation മതിയാകുമെന്നു തോന്നുന്നില്ല. "Rural Insolvency Regulation" എന്നൊരു നിയമം നടപ്പിലാക്കുകയും നാട്ടുപുറങ്ങളിൽ മദ്ധ്യസ്ഥന്മാരെ (Conciliation Boards) നിയമിക്കുകയും ചെയ്യേണ്ടതു ഗവർമ്മെണ്ടിൻറെ ഒഴിച്ചുകൂടാത്ത ചുമതലയാകുന്നു. പണത്തിനുള്ള ക്ഷാമം കൊണ്ടു് എത്ര മുതലുള്ളവനും സംഖ്യ കിട്ടുവാൻ വളരെ കുഴങ്ങുന്നു. ഒരു ലക്ഷം ഉറുപ്പിക മുതലുള്ളവനു് ₹ ൦,൦൦൦ ക. വേണമെങ്കിൽ കിട്ടുവാൻ യാതൊരു മാർഗ്ഗവും ഇല്ല. ഭൂമിയിൽ ജനങ്ങൾക്കു് വിശ്വാസം കുറഞ്ഞിരിക്കുന്നു. മേൽപറഞ്ഞ ആൾക്കു് ₹ ൦,൦൦൦ ക. കടമുണ്ടെന്നു വിചാരിക്കുക. കടക്കാരൻ തടുക്കുന്ന അവസരത്തിൽ കൊടുത്തു തീർക്കുവാൻ വേറെ സംഖ്യ കിട്ടുന്നില്ല. അന്യായം

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കൊടുത്തു വിധിയാക്കുന്നു. ലേലത്തിൽ വാങ്ങുവാൻ ആരും ഇല്ല. ഫ0,000 ക. ക്ക് ഭൂമി മുഴുവൻ കടക്കാരൻ ലേലം വിളിക്കുന്നു ഈ തരക്കാരെ തീർപ്പായും ഗവൺമെണ്ടിനു് രക്ഷിക്കുവാൻ സാധിക്കും. അതുകൊണ്ടു് എക്കണോമിക്കു് സർവ്വെ കഴിഞ്ഞ ശേഷം ബാങ്കു് തുടങ്ങിയാൽ മതിയാകുന്നതല്ലെന്നു് ഞാൻ ഗവൺമെണ്ടിനെ ഓർമ്മപ്പെടുത്തിക്കൊള്ളുന്നു. ഇതിലേയ്ക്കു വേണ്ടി ഇനിയും ഒരു അമ്പതു ലക്ഷം കടം വാങ്ങിയാലും ശരി; കടം വാങ്ങാതെ സംഖ്യയുണ്ടാക്കിയാലും ശരി; വേണ്ടുന്നതു സംഖ്യ ശേഖരിച്ചു ബാങ്കു് ഉടനെ തുടങ്ങേണ്ടതാണു്. ഒരു ലക്ഷമോ രണ്ടു ലക്ഷമോ ഗവൺമെണ്ടിൽ നിന്നു് ഇപ്പോൾ ഇതിലേക്കിറക്കുന്നതുകൊണ്ടു് യാതൊരു പ്രയോജനവുമില്ലെന്നാണു ഞാൻ പറയുന്നതു്. ഇപ്പോൾ കടം കൊണ്ടു കഷ്ടപ്പെടുന്നവരിൽ പണം നഷ്ടപ്പെടാതെ കൊടുക്കാമെന്നു തോന്നുന്നവർക്കെങ്കിലും ഒരു സഹായം ചെയ്തു കൊടുക്കാനൊരുക്കുമില്ലാത്തപക്ഷം ലാൻഡ്മാർട്ട്ഗേജു് ബാങ്കു് (Land Mortgage Bank) തുടങ്ങുന്നതുകൊണ്ടു് യാതൊരു പ്രയോജനവുമില്ല.

സാധാരണയായി Land Mortgage Bank ധനശേഖരം ചെയ്യുന്നതു് ഡിബഞ്ചർ ബാണ്ടു് (Debenture Bond) മൂലമാണു്. നമ്മുടെ രാജ്യത്തു് Debenture Bond എന്നു പറഞ്ഞാൽ തന്നെ അറിയുന്നവർ തന്നെ കുറയും. അതുമൂലം പണം ശേഖരിക്കാമെന്നുദ്ദേശിക്കുന്നുണ്ടെങ്കിൽ അതു് വലിയ അബദ്ധമാണു്. ജർമ്മനിയിൽ ഡിബഞ്ചർ ബാണ്ടുകളെ കറൻസി നോട്ടുകൾ പോലെയാണു് വിചാരിക്കുന്നതു്. ആ രീതിയിൽ ഇവിടെ തുടങ്ങുവാൻ വിചാരിച്ചിട്ടു് യാതൊരു പ്രയോജനവുമില്ല. ഡിബഞ്ചർ ബോണ്ടുകൾ നാട്ടുകാർ ആദ്യമേ സ്വീകരിക്കുമെന്നുദ്ദേശിക്കരുതു്. ബാണ്ടുകൾ മുഴുവനും ഗവൺമെണ്ടു തന്നെ വാങ്ങേണ്ടതായി വരും. അതിനാണു് ഗവൺമെണ്ടു സംഖ്യ കരുതണമെന്നു പറഞ്ഞതു്. അതിലേക്കായി പ്രത്യേകിച്ചും ഒരമ്പതു ലക്ഷം രൂപാ കടം വാങ്ങിയെങ്കിലും ഉടനെ തുടങ്ങണമെന്നു് ഞാൻ ആവശ്യപ്പെടുന്നു. അല്ലാതെ ഗവൺമെണ്ടിന്റെ ഉദ്ദേശമനുസരിച്ചു് ബാങ്കിനു് ഒന്നോ രണ്ടോ ലക്ഷം രൂപാമാത്രം കൊടുക്കുന്നതുകൊണ്ടു് പ്രയോജനമില്ലെന്നതന്നെ അല്ല ആവശ്യമില്ലാത്തതുമാണു്. ഒരു ലക്ഷം കൊണ്ടോ പത്തു ലക്ഷം കൊണ്ടോ ഇരുപതു ലക്ഷം കൊണ്ടോ അമ്പതു ലക്ഷം കൊണ്ടോ കൊച്ചീ രാജ്യം മുഴുവൻ രക്ഷിക്കുവാൻ സാധിക്കുമെന്നും ഉദ്ദേശിയ്ക്കുണ്ടോ. എന്റെ അഭിപ്രായത്തിൽ ഇതിലേയ്ക്കു ചുരുങ്ങിയതു ഒരു കോടി രൂപാ ഗവൺമെണ്ടു കരുതുന്നതു് നന്നായിരിക്കും.

"It has been suggested that in order to inspire confidence, the local Government should take up a proportion of the debentures. This has already been done in Madras where the Government have undertaken to take up as

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many of the debentures issued by five of the Land Mortgage banks in that province as are taken up by the general public, subject, however, to a maximum limit of Rs. 50,000 for each bank. * * * If funds from state sources are needed a simple loan offers the most suitable means of providing them, the Co-operative Acts provide special facilities for the recovery of such loans and the risk of loss would be small".

"If the banks are to be managed by their members, their working must be simple and their constitution readily understood. Unnecessary complications will tend to throw undue power into the hands of the paid staff and to score away the honorary helper. It is probable that great difficulty will be found in bringing home to members a proper appreciation of their liability to the bank and the debenture holders, and the nature and extent of this liability should, therefore be expressed in the simplest way. It must be possible to every member to ascertain at any time, exactly what his guarantee amounts to".

ഇതാണതിന്റെ മൂലതത്വം. ഡിബെഞ്ചർ ബാണ്ട് ആയിട്ടോ ഷെയറായിട്ടോ എങ്ങിനെയാണ വേണ്ടതു് എന്നുള്ളതു് ബ്രിട്ടീഷിൽനിന്നോ ബറോഡയിൽനിന്നോ എവിടെ നിന്നെങ്കിലും ഒരു വിദഗ്ധനെ വരുത്തി ഒരു സ്കീം തയ്യാറാക്കിച്ചു് കഴിയുന്നവേഗത്തിൽ ഒരു Land Mortgage Bank സ്ഥാപിച്ചാൽ കൊള്ളാമെന്നാണ് ഞാൻ അപേക്ഷിക്കുന്നതു്. ഗവമ്മെണ്ടിൽ നിന്നും ഇതിനു വല്ല എതിരും ഉണ്ടെങ്കിൽ അതു കേട്ടശേഷം ഞാൻ മറുപടി പറഞ്ഞുകൊള്ളാം.

മിസ്റ്റർ പി. എസ്സ്. കേശവൻ നമ്പൂതിരി.—ഒരു കാലത്തു് ഭൂമിയാണ് "ഉള്ളതിൽ നല്ലതും ഉറപ്പും" എന്നായിരുന്ന ആളുകൾ കണക്കാക്കിയിരുന്നതു്. എന്താണെന്നു വച്ചാൽ അന്നു് ഭൂമിയ്ക്കാണ് അധികം വിലകിട്ടി വന്നിരുന്നതു്. ഇന്നാണെങ്കിൽ മുമ്പിരുന്നതിൽഎത്രയോഅധികംവില കുറഞ്ഞാണിരിയ്ക്കുന്നതു്. ഇങ്ങിനേയുള്ള ഘട്ടത്തിൽ ഗവമ്മെണ്ടിൽനിന്നു് എന്തെങ്കിലും ധൈര്യവും ന്യായവുമായിട്ടുള്ള ഒരുമാർഗ്ഗം കാണിച്ചുകൊടുത്തില്ലെങ്കിൽ ഇന്നത്തെ ഭൂമിയുടമസ്ഥന്മാരുടെ കായ്മ വളരെ കഷ്ടത്തിലാകും. ഇതിലേയ്ക്കു പല ധനശാസ്ത്രപണ്ഡിതന്മാരും അഭിപ്രായപ്പെട്ടിട്ടുള്ളതു് ഒരു ലാൻറ മാർട്ട്ഗേജ് ബാങ്ക് തുടങ്ങുകയാണ വേണ്ടതെന്നാണ്. എന്നാൽ ഈ ലാൻറ മാർട്ട്ഗേജ് ബാങ്കിന്റെ ഒരു പ്രധാന തത്വംഎന്താണെന്നു നോക്കുന്നതായിരുന്നാൽ ഭൂമികൊം പണയമെഴുതിക്കൊടുത്തുവാങ്ങുന്ന സംഖ്യ വളരെ കാലംകൊണ്ടു് അതിന്റെ പലിശ ഈടാക്കുന്നതോടുകൂടി തന്നെ വാങ്ങുന്ന പ്രിൻസിപ്പളിനു് ലഘുതവമുണ്ടാകുന്നതു മാത്രമല്ല; അതു കുറേശ്ശെ കുറേശ്ശെയായി കൊടുത്തു തീർക്കുവാൻ സാധിയ്ക്കുന്നതാണെന്നു കാണുവാൻ കഴിയും. വളരെ കാലമായി ഇങ്ങിനെ കുറേശ്ശെ കുറേശ്ശെ കൊടുക്കുമ്പോൾ അതിന്റെ ഭാരം അതു അറിയുന്നതല്ല. എന്നുമാത്രമല്ല; വേറെ ബാങ്കിൽ നിന്നു വാങ്ങുകയാണെങ്കിൽ ഇങ്ങിനെ വള

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രെകാലത്തേയ്ക്ക കടം വാങ്ങിയ്ക്കുന്നതിനു പ്രയാസവുമായിരിയ്ക്കും. അതിനൊരു ഉദാഹരണം പറയാം.

ഇപ്പോൾ നൂറു രൂപാ കടം വാങ്ങിയതായി വിചാരിയ്ക്കുക. അതു് ഒരു നമ്പു ആണ്ടത്തെ കാലാവധി വച്ചിട്ടാണു് വാങ്ങുന്നതെന്നും വയ്ക്കുക. ഒരു ധനശാസ്ത്ര പണ്ഡിതന്റെ കണക്കിൻപ്രകാരം ആറാമാസം കൂടുമ്പോൾ നൂൽ രൂപാ വീതം ഒരു കൊല്ലത്തിൽ ഒരു രൂപാകൊടുത്താൽമതി. അങ്ങിനെയായാൽ മുപ്പത്തിമൂന്നുകൊല്ലം കൊണ്ടു ആ കടം തീർക്കാമെന്നാണു കാണുന്നതു്. ഏഴു രൂപാ വീതം ഒരു കൊല്ലത്തിൽ കൊടുക്കുമ്പോൾ (സാധാരണ നികുതി കൊടുക്കുന്നതുപോലെ) വലിയ ഒരു ഭാരമായി തോന്നാതെ കൊടുത്തുതീർക്കയും ചെയ്യാം. എന്നാൽ ഏതെങ്കിലും ഒരു ഗഡുവു തെറ്റിച്ചാൽ ബാങ്കുകാർക്കു ഭൂമി കൈവശം വച്ചു് അതിന്മേൽ പ്രവേശിയ്ക്കുവാൻ അധികാരമുണ്ടു്. ഇതിലേയ്ക്ക നിയമസംബന്ധമായ പല ഏർപ്പാടുകളും വേണ്ടിവരും.

പിന്നെ ഒരു ദോഷം ഇതിലേയ്ക്ക പറയാമെന്നുള്ളതു് ഭൂമിയുടെ വില കുറഞ്ഞു വരുന്നതുകൊണ്ടു് കുറച്ചുകാലം കഴിയുമ്പോൾ ഭൂമിയെല്ലാം സർക്കാരിന്റെ കയ്യിൽവന്നാൽ വലിയബുദ്ധിമുട്ടാകുമെന്നാണു്. ഭൂമിയുടെ വിലയനുസരിച്ചാണു് ആളുമായി പണം കൊടുക്കുന്നതു്. ഒരു കൊല്ലത്തിലുള്ള ആദായമെടുത്തു് അതിന്റെ ൨൫ ഇരട്ടി കണക്കാക്കിയാൽ എത്രവരുമോ അതാണു് ഭൂമിയുടെ വില. അതിൽ പകുതി കണ്ടിട്ടു് എത്രയുണ്ടോ അത്രമാത്രമേ പണം കൊടുക്കുവാൻ പാടുള്ളുവെന്നാണു് ഒരു അഭിപ്രായം. നൂറുപറ നെല്ലു പാട്ടമുണ്ടെങ്കിൽ അതിന്റെ ൨൫ ഇരട്ടിയാക്കി അതിൽ പകുതി—അതായതു് ൨൫൦൦-ൽ പകുതി ൧൨൫൦ പറ നെല്ലിന്റെ വിലയേ കൊടുക്കാൻ പാടുള്ളുവെന്നാണു്. അങ്ങിനെയാണെങ്കിൽ ഭൂമികളെല്ലാം ഒരുകാലത്തു സർക്കാരിന്റെ കയ്യിൽ വരുമെന്നു വിചാരിച്ചു ഭയപ്പെടേണ്ട ആവശ്യമില്ല. ഇതുപോലെ നാല്പതോ, അൻപതോ, അറുപതോ കൊല്ലത്തിലധികം കാലം വച്ചുകൊടുക്കുന്ന ഈ കടം കൊല്ലാകൊല്ലം തീർക്കുവാനാടയായാൽ ആളുകൾക്കു ബുദ്ധിമുട്ടില്ല. ആ ഒരു മാസ്സംകൊണ്ടേ ഭൂമിയുടമസ്ഥന്മാർക്കു രക്ഷയുള്ളു. ഇപ്പോൾ ഈ ഭൂമിയുടസ്ഥന്മാർക്കുള്ള ബുദ്ധിമുട്ടെന്താണെന്നു വച്ചാൽ ശരിയായി ആരുടെ കയ്യിലാണു് പണമുള്ളതെന്നറിഞ്ഞിട്ടു് അവരുടെ കയ്യിൽനിന്നും വാങ്ങിയ്ക്കാനുള്ള ത്രാണിയില്ലായ്കയാണു്. ഇങ്ങിനെ ഒരു സ്ഥാപനം ഉണ്ടെങ്കിൽ ഈ മാതിരിയുള്ള ബുദ്ധിമുട്ടുകൾ വളരെ കുറയും. ഇപ്പോൾ പണമുള്ളവർ ധാരാളമുണ്ടു്. അതുകൊണ്ടു് അൻപതു ലക്ഷമോ എൺപതു ലക്ഷമോ ഉറുപ്പിക എടുക്കുവാൻ യാതൊരു വിഷമവുമില്ല. ആളുകളുടെ കയ്യിൽ പണം ഇല്ലാതില്ല. എന്നാൽ എങ്ങിനെയാണു് ഇതു സ്ഥാപിയ്ക്കേണ്ടതെന്നുള്ള

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സംശയം തീരാത്തതുകൊണ്ടാണ് വച്ചുകൊണ്ടിരിയ്ക്കുന്നത്. ഈ തു് ഗവമ്മെണ്ടിന്റെ ആധിപത്യത്തിൽ ഇങ്ങിനെ നടത്തുന്നതാണെന്നുവരികിൽ തീച്ചയായും ആളുകൾക്കു് സംശയമുണ്ടാകയില്ല. പണത്തെ സംബന്ധിച്ചിടത്തോളം ഗവമ്മെണ്ടു് വിചാരിയ്ക്കുന്നതുപോലുള്ളതു കിട്ടുമെന്നാണ് എന്റെ വിശ്വാസം. എന്നാൽ പണം ഏതു വിധത്തിലാണ് പലിശയ്ക്കു കൊടുക്കേണ്ടതെന്നു് അനുഭവപ്പെട്ടതിനു കാണിച്ചു കൊടുത്താൽ ആളുകൾക്കു് അതൊരു മാർഗ്ഗമാകും. അതുകൊണ്ടു് ഇതിനെ ഒരു അടിയന്തിര കാര്യമായി ഗവമ്മെണ്ടിൽനിന്നും സ്വീകരിച്ചു് വേണ്ടതു് ഉടനടി പ്രവൃത്തിയ്ക്കേണ്ടതാണെന്നുള്ള അഭിപ്രായത്തോടുകൂടി ഞാൻ ഇതിനെ പിൻതാങ്ങുന്നു.

മിസ്റ്റർ കെ. അയ്യപ്പൻ.—ഈ ബഹുമാനപ്പെട്ട മെമ്പർ ഫാമിൻ നികുതി കുറയ്ക്കണമെന്നാവശ്യപ്പെട്ടപ്പോൾ എതിരഭിപ്രായക്കാരനാണ് ഞാൻ. ഏതു കാരണംകൊണ്ടു് അതിനെ എതിർത്തുവോ അതേ കാരണം കൊണ്ടുതന്നെ ഞാൻ ഇതിനെ പിൻതാങ്ങുന്നു. ഫാമിൻ കുറയ്ക്കണമെന്നു പറഞ്ഞ തോതു് ബുദ്ധിയില്ലായ്മകൊണ്ടാണ്. നികുതി കുറച്ചതുകൊണ്ടു് ഇപ്പോഴത്തെ സാമ്പത്തിക വിഷമത്തിനു പരിഹാരമാകയില്ലെന്നു് സമ്മതം. ആലോചിച്ചാൽ എല്ലാവർക്കും മനസ്സിലാക്കുവാൻ സാധിയ്ക്കും. അതുകൊണ്ടുള്ള പ്രയോജനം ഗവമ്മെണ്ടിനു് നല്ല പേരെടുക്കുവാൻ സാധിയ്ക്കുമെന്നുള്ളതുമാത്രമാണ്. ലാന്റ് മാർട്ട്ഗേജു് ബാങ്കു തുടങ്ങുന്നുവെന്നും പറഞ്ഞു് കുറെ സംഖ്യ മുടക്കിയതുകൊണ്ടു് യാതൊരു കാര്യവുമില്ല. വലിയ സംഖ്യ മുടക്കിയാലേ പ്രയോജനമുള്ളൂ. ഈ രാജ്യത്തു കടം കൊണ്ടു ബുദ്ധിമുട്ടുന്ന ആളുകളിൽ ഒരു ഗണ്യമായ വിഭാഗത്തിനു് ഉപകരിയ്ക്കത്തക്കവിധത്തിലുള്ള ഒരു സ്കീം ആണ് ഗവമ്മെണ്ടു് തയ്യാറാക്കേണ്ടതു്. ഇങ്ങിനെയുള്ള ഒരു സ്കീം ഈ ബഡ്ജറ്റിൽ ഉല്പാത്തതാണ് ഇക്കൊല്ലത്തെ ബഡ്ജറ്റിലെ ഭയങ്കരമായ ഒരു ന്യൂനത. ആ ന്യൂനതയെ പരിഹരിയ്ക്കുവാൻ ഉള്ള ഒരു പ്രസ്താവന ഈ ഭാഗത്തുനിന്നുതന്നെ വന്നതിൽ ഞാൻ വളരെ അഭിമാനിയ്ക്കുന്നുണ്ട്. ഗവമ്മെണ്ടു് ഇതിനെപറ്റി എന്തെങ്കിലും അനുകൂലമായ ഒരു ഉത്തരവു് ഇടുകയാണെങ്കിൽ അതു് ഇവിടെ കൂടിക്കാണിച്ചതുപോലുള്ള വലിയ സംഖ്യ ഉടനെ വിതരണം ചെയ്യത്തക്ക വിധത്തിൽ ആയിരിയ്ക്കണം. അല്ലെങ്കിൽ ഉപയോഗമില്ല. അങ്ങിനെ ചെയ്യാത്തപക്ഷം ബഹുമാനപ്പെട്ട മെമ്പർ പറഞ്ഞതുപോലെ ഇവിടേയും ഫെയിലർ ആണെന്നു് കാണിയ്ക്കുവാൻ മാത്രമേ പ്രയോജനപ്പെടുകയുള്ളൂ. ഇതിനെ കുറിച്ചു് പല ബഹുമാനപ്പെട്ട മെമ്പർമാരും ഇവിടെ പ്രസ്താവിച്ചു കഴിഞ്ഞിട്ടുണ്ട്. അവരോടൊപ്പം ഇതിനെ പിൻതാങ്ങുവാൻ എനിയ്ക്കും വളരെ സന്തോഷമാണ്.

Mr. A Sankara Poduval.—Sir, I rise to support this motion. I pointed out in my Budget speech that the need of a

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liquid capital is very keenly felt here. Our land owners have been hard hit. The only way of affording relief at this critical juncture is to make money available, so that they may not be exploited upon by capitalists. It is only a sympathetic Government, an imaginative Government, a Government which is far-sighted enough to extend its sympathy to the people of this country that can embark upon such a scheme. In the case of a few people, money there might be in plenty and if things are allowed to go on in this fashion, those few people will become the proprietors of most of the lands in Cochin State. That should not be. That calamity should be averted. The idea is that people who have got lands to give on mortgage should be put in a position to get available capital to carry on their operations during these times of depression. It is only a help to tide over the present depression that is wanted. If the depression were to last for a few more years and in the meantime remedial measures are not brought into effect most of the present landed proprietors in the State would certainly be ruined. It is to avert that calamity that the establishment of a Land Mortgage Bank is advocated and the principle of establishing Land Mortgage Banks has been generally accepted. The Leader of the House is not correct in saying that in Travancore it is unsuccessful. I find that in this year's draft budget another 2 lakhs provided there. In the Madras Council the Government is prepared to extend their financial contribution to the extent of 2 lakhs. Land in Cochin, is fairly well distributed. Now small landed proprietors have been most hardly hit. We want to preserve these lands in the hands of these people and money must be available to tide over this present difficulty. That is to say our lands must be appraised. The value of our lands in the State must be kept up to a certain standard. The value of the lands has deteriorated at least by 50 per cent now.

Mr. K. M. Ibrahim.—More than that.

Mr. A. Sankara Poduval—Now, therefore, a sympathetic Government, a benevolent Government can save the situation. It requires imagination, it requires incentive, it requires courage. Here we are asking the Government to do something in the interests not only of the people but also in the interests of the Government as well. In a scheme of this description, which necessitates borrowed cash, it is desirable to call the attention of the Government by means of an adjournment motion. The details of the scheme have of course to be worked out in due time. But the immediate necessity for it and the fact that it is the only reasonably feasible way for solving the economic distress and saving our people has to brought to the notice of the Government and in doing so I have very great pleasure in supporting this motion.

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Rama Varmha Tampuran.—Sir, I think I should first explain that the difficulty of the Government is not the difficulty due to want of a scheme. It would appear from the speeches of the Honble Members on the other side that the main difficulty which the Government had was the difficulty to devise a suitable method of starting a Bank. That is not the main difficulty at all.

I should point out that the one characteristic difference between a land Mortgage Bank and a Co-operative Society or an ordinary Joint Stock Bank is that in the case of the former always credits are advanced for long periods. That is an elementary principle and that is the fundamental characteristic of all Land Mortgage Banks. The capital is to be found either by Joint Stock Shares or on a co-operative basis or by Government subscription. There are the three ways of doing it. A set of people may join together, take shares among themselves, raise a capital and start a Land Mortgage Bank, as it is done in Egypt, in France and in such other countries or it may be started on a co-operative basis. That is, a number of Co-operators may join together, have a Bank started for their own use and give credit on landed properties for their own use. That is the system employed in Germany, America and other countries. Or as is done in India especially the Government may themselves start a Bank with their own Capital and issue credit to deserving ryots for long periods. That is what is done in Travancore and I think in Madras.

Well, of whatever type a Land Mortgage Bank be, the common characteristic of every one of them is that the capital of the Bank will be out of the hands of the Bank for a very long time and only small proportions of the capital will be remitted in half-yearly or annual payments. Now it will not be possible for any Bank of this type to find all the capital that it wants by way of actual cash. After a couple of years, or say four or five years, it will soon become apparent that whatever fluid cash is available with the Bank that is not sufficient to meet the demands on it. Very soon the transactions of the Bank are sure to come to a stage when it will have to issue debentures. Debentures are in other words only promissory notes issued by the Bank. The Bank on its own credit issues something like a pro-note promising that it will pay the amount specified on it on notice. Such notes known as debentures have to be issued according to demand. If the bank is able to stand on its own legs without subscribed capital, and if its work gives sufficient guarantee to its debentures then people accept them freely and the debentures change hands as readily as ordinary currency notes. But often it happens that the Bank by itself is not able to command that amount of confidence which alone will give its debentures the

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necessary strength in a Stock Market and when such a contingency arises, the Government have to step in. Government have to say that the debentures issued by this particular bank are issued under Our Authority and that if the bank fails to pay the debentures we will pay them. Not only that, we will also guarantee a specific interest on it. It may be 5, 5½ or 6 per cent. That will have to depend on the general interest level at the time.

Now the idea of having a co-operative kind of Land Mortgage Bank in India will not be very feasible, I think, because first of all money will have to be found in great abundance and any set of co-operators among themselves may not be able to raise that amount. Even if they are, they will not be able to command that confidence in their debentures, which at any rate they will have to issue in due course, except with Government help.

It will be much more feasible therefore in India to start an entirely Government-owned Land Mortgage Bank and that is the reason why in Travancore and in Madras they have gone for it. Baroda was not in favour of it. They reviewed all the different kinds of Land Mortgage Banks and they were not inclined entirely towards the State-owned type of Land Mortgage Banks for several academic reasons. One or two of the most important reasons were that it does not rouse the interest of the people because if it is a co-operative Bank, the coo-perators themselves will be much more interested in the success of the bank than if it were a completely State-owned bank. For some such reasons they were not inclined to start their Bank on the basis of the State-owned type. In Travancore they have opened it as an entirely State-owned concern. When that is done the Government have to find the entire funds for the working of the bank. In Travancore they have taken 5 lakhs of rupees as the capital of the Land Mortgage Bank and in the administration report of last year I find that about 35 thousand rupees or so was issued on about 28 applications. About 400 applications are pending with them and perhaps it is to make up this 5 lakhs of rupees that they have provided for rupees 2 lakhs or so in the 1109 budget.

Well, whatever it be, the position ultimately turns out to be this. The Government will have to find entirely all the capital required now to run the bank. And if debentures have to be issued they will also have to be issued as Government Promissory Notes. In other words the entire responsibility for the working of the Bank will depend upon the Government themselves. The amount lent to the individuals is to be repaid in easy annual instalments, say spreading over 28 or 30 years. If there is any default in the repayment, the ultimate course will be to sell the land and get the money remitted or to take lands themselves into

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their hands. In short therefore the entire responsibility for all the debentures that are issued by the Bank will have to be owned by the Government.

Mr. A. Sankara Poduval.—May have to be.

Rama Varmha Tampuran.—*Will have to be.* It is absolutely sure. Whether it be a State-owned bank or a Bank of the co-operative type or of the Joint stock share type, the debentures will have to be supported by Government guarantee and the ultimate responsibility to pay these pro-notes will be entirely Government's. Whatever liabilities every bank incurs in the course of its work, that is in the course of helping the ryots, that is in the course of issuing capital from its cash chest, whatever liabilities arise out of that, all that will have to be shouldered by the Government and the Government alone. The corresponding assets will be the lands mortgaged to the bank and through the bank to the Government. There will be lands on the one side and all the liabilities that the Government have had to shoulder to find funds to pay the ryots, on the other. This liability of the Government in starting a Land Mortgage Bank is not anything very simple. It may grow even much higher than the subscriptions which it pays at the outset. The subscription that it pays will be a lump contribution. If debentures have to be issued to supplement this cash contribution, the entire capital of the debentures also may have to be found by the Government. They will be required to pay the persons for the debentures taken. Therefore the liability of the Government is not very limited. It is very heavy in a Land Mortgage Bank and the capital that is issued will be repaid only at the end of 30 or 40 years. Therefore the Government should have ready capital to meet the situation as it arises in the course of 30 or 40 years. If the Bank is to go running it will have to issue debentures and if debentures are to be issued the liability of the Government *ipso facto* increases. It will be a concern of growing liability for the Government. There is no doubt of it. Why I emphasise this point is, I want to make clear to the House the exact liability or the exact responsibility that the Government will have to shoulder in starting a land mortgage Bank. If we want to have a successful Land Mortgage Bank which will meet the situation as it arises year after year, then the responsibility of the Government will be really very vast. That point I want the house to grasp fully well.

Mr. K. Ayyappan.—Will it be unlimited ?

Rama Varmha Tampuran.—It will be exceedingly great for the reason that more and more debentures may have to be issued as years advance. We cannot depend for cash upon the remittances from the ryots into the bank.

Dr. A. R. Menon.—And debentures will be remitted.

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Rama Varmha Tampuran.—It will not be so very easy to get back remittances or to redeem the land and thereby redeem the loan according to the requirements of the bank. The demands on the bank will certainly be far greater than the corresponding remittances into the bank. The demands will be far higher and therefore I say that as years advance more and more debentures will have to be issued and greater and greater would become the liability of the Government.

Mr. A. Sankara Poduval.—Do the Government think that this economic depression will last for 25 years?

Rama Varmha Tampuran.—Even without economic depression, even under normal circumstances. That brings me, Sir, to the real point at issue and that is exactly what we have raised in the Government Order already referred to. We want to know whether the debts are likely to be repaid punctually. Is indebtedness of the country such that the debts taken out of the Land Mortgage Bank are likely to be repaid. Suppose the debts have been taken for the improvement of the land, for any productive purpose connected with the land, then we may reasonably expect that that debt will be repaid. Suppose on the other hand it has been spent on a marriage festival or other festivals of the kind or other economically unproductive purposes, what will be the result? The chances are ninety per cent that the debts will remain unpaid and if the debts are unpaid the liability of the Government increases proportionately. Therefore the Government decided that the question of starting a Land Mortgage Bank can be settled only after knowing the nature of the indebtedness of the Cochin ryots. And this is one of the main points included in the Economic Survey. If we find that the indebtedness of the ryots at present has been, to a very large extent at least, due to his borrowing for purposes of improving his land then there is room for a reasonable presupposition that the money that is issued by the Land Mortgage Bank will be utilised by him to redeem those debts and that therefore he will be in a position to repay the debt almost regularly. If he is able to repay the debt almost fairly regularly then the Government liability will be something that could be appraised and with this limited liability Government can easily undertake the scheme. Therefore the difficulty is not want of further details. The main difficulty is to know whether the loans that the bank will pay to the ryot are likely to be repaid.

Dr. A. R. Menon.—What is your idea of the Government's limited liability?

Rama Varmha Tampuran.—The Government's limited liability is the subscription that they pay and the debentures that they may have to issue for the first 3 or 4 years. With the amount that is repaid by the ryots the bank would then be able

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to carry on its work. That is the case with Land Mortgage Banks everywhere.

Mr. K. Ayyappan:—But the Government have said that it is a failure.

Rama Varmha Tampuran.—The Government never said that it is a failure. The very fact that this institution has been in existence for the last hundred years shows that it has been a success.

Dr. A. R. Menon.—That does not prove it.

Rama Varmha Tampuran.—A demand for a Land Mortgage Bank exists only in that land where money borrowed from the Bank is utilised for productive purposes of the land. If that condition exists, then there is a real need for that Bank. Here the demand is only for cheap credit and if the demand is simply for cheap credit then the Land Mortgage Bank is sure to fail and that is the very reason why the Government have been reluctant to proceed on the scheme without the necessary data. Therefore they said that data has to be collected. That will be done in a couple of years.

Mr. K. Ayyappan.—ഇപ്പോഴത്തെ കടമെല്ലാം depression കൊണ്ടു വന്നതാണെങ്കിലോ?

Rama Varmha Tampuran.—That is what I say. If a case is made out that indebtedness of the ryot is due not to extravagance, or starting economically unproductive works, then a case has been made out for establishment of a Land Mortgage Bank.

Mr. K. Ayyappan.—Productive works ന വേണ്ടിയുള്ള കടവും വരവുകൊണ്ടു മതിയാകാഞ്ഞിട്ടുണ്ടാവുന്നതല്ലേ?

Rama Varmha Tampuran.—We are not concerned with individual or family budgets just at this point. We are concerned only with this special aspect of the individual's family budget.

Mr. T. K. Nayar.—Why should you look into that point? You want to realise only this much, that the person who borrows the loan should be able to repay.

Rama Varmha Tampuran.—He won't be able to repay, unless the amount borrowed has been spent on productive works.

Dr. A. R. Menon.—In the case of the big jenmies?

Rama Varmha Tampuran.—The word ryots in this case includes jenmies also. Both the jenmies and the individual ryots under the jenmies, come under the class of persons I have in mind.

Mr. T. K. Nayar.—I do not know what has made the Government think that the indebtedness of the ryots is due to extravagance on festivals, etc.

Rama Varmha Tampuran.—Government have not jumped to any conclusion.

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Dr. A. R. Menon.—Then how do you find it out ?

Rama Varmha Tampuran.—By the Economic Survey. We can find it out by the proposed Economic Survey. We can easily find out what is the general nature of the indebtedness among the agriculturists. I will use the word agriculturists instead of ryots. Therefore, Sir, the whole question turns upon this, whether the ryots will be able to repay the amount borrowed by them. They will not be able to repay unless money has been spent on productive works and it is this particular aspect that we are going to find out by the Economic Survey. Government in the interests of their own safety have to find out this data before they come to any decision to start a Land Mortgage Bank. It is not a very simple question. The liability and the responsibility involved are too great for the State to launch upon this enterprise without clear forethought. The data for the establishment of a bank we can find out from the results of the Economic Survey.

Dr. A. R. Menon.—What is the data ?

Rama Varmha Tampuran.—We want to have information with regard to the debts that the agriculturists incur generally in this land.

Dr. A. R. Menon.—Supposing the land is under a mortgage at a high rate of interest, how will you classify ?

Rama Varmha Tampuran.—Redeeming the debt on the land will be a purely agricultural purpose. In a Land Mortgage Bank the bank is at liberty to advance money for repaying prior debts. In the case of the co-operative banks that is not the case.

Mr. E. Ikkanda Warriar.—Do you not judge the capacity to repay by the security offered by them ?

Rama Varmha Tampuran.—That will have to be taken in account. But that alone will not suffice. If we go only by the security of the land the chances are that the land will come to us and not the cash. We should have cash. The family budget will show how much he has spent on pilgrimages, festivals and things like that.

Then, Sir, if the survey proves the necessity for a bank, then the amount that we shall require will not in the estimate of the Government be anything like the high figure of 50 lakhs. Travancore has already started one with 4 or 5 lakhs. Cochin is only 1/5 of Travancore. So we may be able to start with 2 or 3 lakhs and after seeing its work if more has to be invested we shall do it by issue of debentures. We can issue debentures and if we want to raise the capital we can do it as time advances. 3 lakhs will be quite sufficient for a Cochin Land Mortgage Bank, and these three lakhs we can easily get from our current

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revenues. We need not have any special loans for the purpose. On College we are spending every year 5 to 8 lakhs. Therefore, Sir, for a small amount of 3 to 4 lakhs we do not want any loan of the kind contemplated by the Hon'ble Member. We have to wait for the results of the survey to know where we are and we can start a Bank if a case is made out, without borrowing money. We can easily find money from other revenues. Therefore, I submit, that there is no necessity for an adjournment motion of the kind. The Government have completely understood the importance of the problem. Only they want to be absolutely correct in their procedure. They do not want to do anything without ascertaining facts. They want first to ascertain facts and on the basis of the facts revealed by the survey take action. It can easily be done without going for a loan. Therefore, there is no point in the motion at present. If the intention of the Member is only to impress upon the Government the necessity to consider the question of a bank once again we welcome the motion. The Government's attention has already been drawn to the importance of the question and if facts justify the starting of a bank, Government can easily start one with the money at our disposal. I therefore suggest that there is no necessity for the motion and request the Hon'ble Member not to press it.

Mr. A. Sankara Poduval.—On a point of information will not the object of the Government be served by making a rule that money will be lent only for productive investments?

Mr. P. Krishna Menon.—Along with that, may I also bring to the notice of the House, whether there is not such a rule even in the case of agricultural loans now issued?

Rama Varmha Tampuran.—But if it were a simple case of agricultural loan the precaution suggested by the Hon'ble Member for Trichur would have been sufficient. But this is a bank. If the bank has to be carried on we want liquid cash, as the Hon'ble Member for Trichur put it. It won't do if the land itself comes to us. What is the reason for an ordinary bank not investing money on landed properties. The very same reason applies more or less to Land Mortgage Banks also. Only there is this difference that here we find money being advanced on long terms loans. But still we have to get cash. Therefore, it won't do if there is ample security. We should more or less be assured that the agriculturists who are benefited by the bank are at least in a position to repay the amount in easy instalments.

Mr. E. Ikkanda Warriar.—Does not the Government know the process of converting land into money?

Rama Varmha Tampuran.—It is not easy to convert land into money.

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Mr. Thomas Manjuran.—The Hon'ble Secretary to the Diwan has clearly explained the whole situation and I don't wish to add much more to the debate. But I would, however, wish to say a word about the relevancy of the economic survey that is being now conducted. Hon'ble Members need not be under the impression that the economic survey is a ruse deviced to put off the evil. Nothing of the sort. I shall endeavour to explain the sort of data expected to be collected by the economic survey. Let us suppose that a ryot has got into debt. The economic surveyor investigates how the man got into debt. Suppose the man got into debt by buying agricultural stock or by installing agricultural machinery or by going into speculative land purchases or by celebrating marriages on a grand scale or again by celebrating feasts. The Surveyor can ascertain how the indebtedness of the man arose.

Dr. A. R. Menon.— How much time will you take?

Mr. Thomas Manjuran.—You are asking me for possible relevant data that may be collected by the economic survey. How and when it will be collected we will presently see.

Mr. George Chakyamuri.—We are on the Land Mortgage Bank and not on the economic survey.

Mr. Thomas Manjuran.—I thought the Hon'ble Member was following the debate.

Hon'ble Members thus see that by the economic survey we are expected to ascertain data with regard to the case of indebtedness among the ryots. We are also trying to investigate and ascertain whether there has been a reckless spending by the ryots, whether the ryots are likely to utilise the money that may be advanced to them in a proper manner and so forth. As the Hon'ble Secretary to the Diwan has already stated, the Government, if it starts a Land Mortgage Bank, is likely to become liable for a progressively increasing liability year by year and a bank cannot be conducted without money, liquid money as the Hon'ble Member for Trichur would have it. You cannot put off your creditor by telling him that you have invested money in landed property. The question is whether there is a fair chance of the money that is advanced to the ryots returning at specified periods back to the bank. If that will not happen the bank must either close down or the State will have to go on involving itself into ever growing embarrassments. That is the fact that we have to understand.

The necessity of collecting necessary information and proceeding with great caution is thus obvious, and has been repeatedly insisted upon by high authority. I would bring to the notice of the Hon'ble Members of this House a short passage from the

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report of the Royal Agricultural Commission. The report was issued in 1928:—

"Whilst we think that there is scope for the establishment of land mortgage banks in India to meet the demand for long-term credit, we are strongly of opinion that these should only be organised after the most careful preliminary enquiry. (That is the sort of enquiry that we are now having.) Efficient management is essential, and, unless this is assured, no step forward should be taken."

Again, "In no circumstance should any attempt be made to hurry such institutions into existence to meet a popular demand. Sufficient has been said to indicate that, whilst there is some demand for facilities to repay old debts or redeem mortgages, there is no very strong demand for long-term money for land improvements. Land mortgage banks will neither fill a gap nor meet a long-felt want; they should replace the system of State loans and displace the money-lender from the long-term loan business; they should introduce a valuable element of control into that business, but their greatest service may be the lowering of interest to a level which will bring many improvements within the class of productive works".

I have a word to say about the lowering of interest.—"The ultimate form which these institutions should take can only be determined by experience, but, inasmuch as loans will be given for long periods and arrangements for funds will have to be made accordingly, unusual care will be necessary in the drawing up of all agreements and contracts. Continuity of policy is essential and all liabilities will have to be foreseen and provided against for a long time ahead. It seems advisable to add a final word of warning against a tendency, which besets all institutions of this character, to become possessed of land by foreclosure. As has been explained, punctuality in repayment must be insisted on, and it is inevitable that cases should occur in which the banks will have to take over the land pledged as security and to dispose of it. Such action will be necessary and unavoidable but its frequent repetition will lead to deplorable results. The best way to minimise the danger is to keep it well in view in managing the bank's affairs."

The Banking Committee that was appointed by our State in 1095 and 1096 makes reference to this matter at page 13. At that time the Madras and Travancore Land Mortgage Banks were not in existence:—"No doubt they existed in European countries but there they are rendered possible by the existence of large farms unlike the innumerable tiny holdings here. The difficulty to secure long term deposits at low rates of interest, the risk of bad investments the trouble in conducting periodical inspection of securities and the complicated nature of land tenure in Cochin, these circumstances dissuade us from recommending the starting of a Land Bank".

Mr. Elkkanda Warriar.—When was it written, please?

Mr. Thomas Manjuran.—In 1920. The conditions now are pretty well what they were then.

The Government has in starting Land Mortgage Banks, practically to break new ground. The existing experience of other Governments in India is very little in deed. Two experiments are being conducted, one in Madras and the other in Travancore. Both the Madras and Travancore Banks were started with much

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more modest ideas of the necessary capital than what our friend, the Hon'ble Member for Pazhayannur would have. The Madras and Travancore banks have capitals of 5 lakhs each. The Hon'ble Members will remember one important matter. Assume for argument's sake that the adjournment motion is accepted and the Government acts up to it. We get 50 lakhs of borrowed capital, for which we have to pay interest calculated at 5 per cent. We have to adumbrate a scheme of Land Mortgage Bank. We have to collect materials for it. It will take time. In the meanwhile large amounts will have to be disbursed by the Government as interest on money lying unused in the state coffers.

Mr. E. Ikknda Warriar.—How much time, please?

Mr. Thomas Manjuran.—At the most conservative estimate, I will say one year.

Mr. K. Ayyappan.—How long did the Royal Agricultural Commission take?

Mr. Thomas Manjuran.—A couple of years. Assuming that a loan is required, for starting the bank, our experience shows that we can raise a loan for proper purposes without much difficulty. Is there any meaning in getting 50 lakhs now without knowing when we may possibly start the bank? The motion as it stands is thus clearly unacceptable. I am sure, the mover of the motion will not press this motion, as it stands, to a division. I am sure he does not want the Government to throw away a lot of good money. I will explain. For 50 lakhs of rupees we will have to pay 2½ lakhs of rupees as interest every year. 2½ lakhs of rupees is a big sum. Meanwhile we are to go on collecting data while the borrowed money lies unused in our coffers. Let me say one other word. I want to make it clear to this House that the co-operation of the public is highly necessary for a successful working of a Land Mortgage Bank. It will never do for the Government to start a bank in which the borrowers interest is only to borrow money. Let us assume that the Government starts a Land Mortgage Bank without implementing either the funds or the brains of the borrower. The borrowers would have no real interest in the bank which would be thus reduced to a mere commercial proposition. The Land Mortgage Banks we have in France and Germany are not such. The German Bank, appear to give most satisfaction and they are co-operative banks. There is State owned Mortgage Bank in Germany. For that matter, the idea appears to be unknown out side India. Owing to the peculiar conditions obtaining in India, these experimental banks have been started in Madras and Travancore. The longstand-

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ing German Banks are all co-operative banks. I am not for a moment prepared to say that the Government of Germany never came to the help of these banks.

Mr. Joseph Pettah.—They are even called semi-public institutions.

Mr. Thomas Manjuran.—Yes. Again the agricultural holdings in this State are mostly tiny ones. Most of them may be worth a thousand or two thousand rupees. Owners of such small holdings will often find it very difficult to return the money borrowed by them and inevitable disaster would follow default.

Dr. A. R. Menon.—Just as you proceed in the case of defaulted revenue collection.

Mr. Thomas Manjuran.—Before you offer temptation to ryots in the shape of ready money, one important question that should be investigated is whether our ryots have business ideas or traditions. In conducting a bank the Government will have to adhere rigorously to principles of business. The bank will not advance money even to a rich client if the bank knows that the rich client is not a good customer. On the contrary the bank would much more readily advance money to poorer clients who are good customers who will meet their obligations readily. The question involves many important problems, problems that involve the welfare and the ruin alike of the ryots. If the magnitudes of the problems realised, there can be no difficulty in understanding the statements contained in the order referred to by the Hon'ble Member for Pazhayannur.

Sir, I would, however, make another proposal, viz., pending the establishment of a Land Mortgage Bank, which may possibly take time, it would be a good plan for the Government to earmark as much as possible of its available funds for giving more and more agricultural loans.

Mr. T. K. Nayar.—As we are doing now?

Mr. Thomas Manjuran.—There may be some objection to the method of distribution existing now. But such defects can be cured. The idea is, that while the idea of starting a Land Mortgage Bank is examined and datas collected it will be a good plan to distribute larger amounts, that are being utilised now in the form of agricultural loans. The agriculturists are seen to get some relief that way. It is quite possible that the ryots have not got the money to make even the most desirable or necessary improvements. I suppose the Government will take that question up, pending disposal of this question. The

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Government cannot either in view of the magnitude of the question involved or in view of the safety of the ryots rush into this matter in a hurry. I have nothing more to add. I would only exhort the Hon'ble Members of this House to consider the importance of the question involved and to judge the matter not only from particular points of view but after taking a general view of the whole question. The difficulties of the Government which are real, have to be considered. The serious prejudice which may follow the acceptance of this resolution by the Government has also to be considered. Again, the inevitable delay necessitated by a proper investigation of the question has to be kept in view. Government should have time to know what they are doing. The Government cannot afford to indulge in speculative experiment. This action must be the result, of detailed and serious study. I would exhort the Hon'ble Members of this House to give this matter their serious consideration before coming to one view or the other. It is in the interest of the public for the Government to investigate this matter in full detail, before they come to a conclusion one way or the other. Hon'ble Members will be doing a disservice to their constitutents by attempting to rush the Government on this very important matter.

Mr. P. Kumaran Ezhuthassan.—On a point of information, is it the idea of the Government to survey each nook and corner of the State?

Mr. P. V. Subramania Ayyar.—Only to typical villages. I want only to supplement what my Hon'ble colleagues have already stated. I beg to put one question to the Hon'ble mover of the motion. There was a mention of going in for a loan of 50 lakhs for initiating a land mortgage bank. What was the idea underlying that intention? Was it to dispose of the 50 lakhs to various ryots who come in according to the order of precedence? Do you want to dispose of the 50 lakhs in the course of a day? I think it is never the intention of the mover. The basis of our land mortgage bank is only this: to form a nucleus for a bank which will run on several years. It was on this basis that Travancore started its own Land Mortgage Bank with 4 or 5 lakhs. The procedure adopted by the bank there was to call for applications in the course of a year and to disburse loans according to the necessities. What the Travancore Land Mortgage intended was only to provide 4 lakhs a year which, supplemented by loans raised by the bank would be used for the disbursements of loans to desiring ryots. After the 4 lakhs have been exhausted in the course of the year the procedure was to raise debentures to the extent of 4 lakhs that

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they have lent and to raise it from outsiders or in the State itself so that the 4 lakhs may be recouped in the succeeding year. If more applications come the amount that has been already disbursed will be recouped by way of debentures or by repayments in instalments in the course of 10 or 20 years. The basis of a Land Mortgage Bank is that repayments must be made very regular. The disbursements must be very scrutinisingly made in the beginning. I think that the calling of a loan to the extent of 50 lakhs was beyond the real intention of the mover of the motion. After all we would require, as in the case of other banks, only a few lakhs which after disbursements will be recouped by way of debentures or by way of recoveries from the ryots. A comparison was made between the agricultural loan and the Land Mortgage Bank. The case I say is similar. In the course of 10 years, repayments are made in the case of agricultural loan. As in the case of agricultural loans, the loans by the Land Mortgage Bank has to be made very scrutinisingly, and there is no reason why the Land Mortgage Bank will not provide a safe basis for the removal of the agriculturists' lot. It was simply for that purpose that the economic survey is adverted to. 50 lakhs would be spent away in the course of 3 minutes by way of loans to ryots. 3 single individuals can come forward and knock away 30 lakhs. The loan by the Land Mortgage Bank is paid only to deserving ryots who will be able to repay it within the stipulated period. Unless the bank finds that this is possible, no advance can be given to any ryot. This must be enquired into before any scheme of Land Mortgage Bank is decided on.

Then the question of finance has to be very seriously considered, because I am very anxious that that point must be brought forward to the notice of the Hon'ble Members seriously. Our revenue is as you all know very inelastic. We have not many sources. The income-tax was only the last resource at the hands of the Government. So long as our revenue resources are inelastic, we can think of no new item of expenditure without a corresponding decrease in expenditure under other items. I have repeatedly pointed out that this year's budget has been specially directed towards the increase of allotments for development departments. The proposed loan of 25 lakhs has brought about to Government an expenditure of 3 lakhs a year for long years. But for it, we would have been able to spend the 3 lakhs under the development departments,—Medical, Sanitation, Education, etc. Of course we did go in for the present loan because it was also productive. I have been very explicit in

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making the Hon'ble Members understand that going in for a loan of 50 lakhs for a Land Mortgage Bank can never be seriously considered and a Land Mortgage Bank can be started only if the Government are allowed to have the economic survey going on and the results are announced.

Mr. George Chakyamuri.—I am in perfect agreement with the spirit of the motion. I have my own difficulties which I shall place before the Hon'ble Members to solve; but I support the motion in toto and I also should like to observe that I am certainly unconvinced by the arguments advanced from the Government side with regard to the putting off of this matter till the survey report. It is conceded by the Government that our peasantry is highly indebted. The necessity for the bank is also conceded. I fail to see what is it that the Government side wants to say. They say 'we want data, we want data'. Is it the list of prospective customers that they are waiting for? I say this has been the tactics with the Government. With regard to educational matters, so many questions have been shelved on the ground that the Education Survey is not over. Now that survey is over but they say a committee is considering the survey report. Now there is the economic survey constituted. When we speak of something concerning the economic position of the State you immediately come in and say 'we can answer that only after the survey is over'. I fail to see the reasonableness of the position. What is happening is this:—An English Professor is going from village to village. Let him go and it is very doubtful whether anything is going to come out of it. Suppose a man comes to you and says that Trichur town is on fire. You will at once say, 'we can't do anything until the survey is over'. I submit that important questions and important needs of the people should not be shelved in this light-hearted fashion by adverting to the survey that is being conducted. It is as good as saying that hereafter a goose survey is going to be conducted by the State. It amounts to that. So that I certainly fail to see the force of the argument. One main difficulty with regard to the starting of a State Aided Bank is this: As far as my experience goes I very much doubt the wisdom of making cheap credit available to the public. I have also to do something with a small bank in a small fashion. As I have been able to understand there is a general tendency to catch at cheap credit and never repay it if they can, help it or leave it to their successors. I think making cheap credit available would only lead our people to more indebtedness. We have got our Co-operative Societies. Most of them are credit societies. I am only putting one question to the Hon'ble mover. I said I am in perfect agreement with the

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motion. What has really happened in regard to co-operative societies is I can honestly say—many of them have got a group of debtors. The people are going in and borrowing money, because a surety is only necessary. That has been the cause of involving several people, who ought not to have been involved, in debts. I am speaking to the House from my own experience. If a survey is taken of the actual working of our Co-operative Credit Societies the Hon'ble Members will be convinced that each society will have ten thousand debtors of the State. It is clear that of these 10,000 debtors at least 8,000 will be defaulters now. So that, that is a very serious proposition which I request the Hon'ble mover of the resolution to ponder over.

The 2nd difficulty is how we can support on principle this Land Mortgage Bank, as long as lands that are being sold for their indebtedness are not bought by foreign capitalists. If one cultivator gets involved, his neighbour gets his property. As far as I can see, the lands are not getting centered in the hands of a few. Of course there may be exceptions.

So on what fundamental principle can the State intervene as long as it is only a question of changing hands between the subjects of the State? Where is the necessity to perpetuate one class of cultivators in the State? I am not giving any Bolshevic ideas. I am only stating certain difficulties. I also apprehend the difficulty pointed out by the Hon'ble Member for Kattur, that is, regarding concentration of lands in the hands of the Government. That is also a very serious proposition which the House will have to consider. Our people have got a tendency not to repay the loans once acquired and leave it to their successors for repayment, if they can. The danger is that if you advance money at 50 per cent of the value of the property, I apprehend the danger would most probably be that the people would leave their property to the Government. There is also an element of danger of the lands getting concentrated in the hands of the Government. All these difficulties I want to place before the Hon'ble Mover. But at the same time I would support the motion, for it is intended to ameliorate the present difficulties.

Dr. A. R. Menon:—Sir, I am sure this House is very much obliged to the Hon'ble the Secretary to the Diwan for the clear way in which he has described the various kinds of banks and the difficulties each has to surmount. It is very easy to enumerate the difficulties. To get over the difficulties is more difficult. (*Hear, hear.*) Now the question remains, whatever may be the explanation there is a widespread havoc and famine and depression spreads from the highest to the lowest of the whole strata

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of society. It is a great mistake to think that this economic distress is confined only to the class of ryots but it is equally felt by the richest in the land along with the poorest. There is not a single jenmi or land-holding man in Cochin State who is not striving his level best to secure credit. Excepting one illom there is not a single illom in the whole of Kerala which is not striving to get credit. But they do not get it. If that is so what will be the position of the middle classes or the land-owning tenants? The value of paddy just as the value of cocoanuts has been reduced to 60 or 70 per cent. Paddy used to be sold at Rs. 65 and Rs. 75 per cart load. Now it is sold at Rs. 25, that is to say, 66 per cent less. How can they meet the demands of the Government? You say, "what are we to do?" It is your duty to find out the method. There is no use of telling us we cannot do it. If there is a system of Government by which we can replace you, we would have certainly devised ways and means for that. How you should do it is your lookout.

Mr. P. V. Subramania Ayyar.—The depression has affected other Governments also.

Dr. A. R. Menon.—But those Governments do try to relieve depression. What have you done? Have you done anything for social welfare work except having some names in the Gazette? Do you call this a civilised Government, Sir ?

President.—We are on the Land Mortgage Bank question.

Dr. A. R. Menon.—I am driving a point at home. I am not simply speaking at random. I am charging the Government for not having done their duty properly and I am proving it. I say it is the duty of the Government. All civilised Governments see that old people are looked after, that widows are looked after, orphans are looked after and people with incurable diseases are looked after. Even so, at an emergency time when the whole State is standing on the brink of economic disaster, is it not your duty to find out methods for relieving them? Or is it your duty simply to sit and hear all the points we raise? Now, what is the use of saying that your economic survey will be over soon? I saw the Superintendent the other day. He is sitting quiet there. He is waiting for the clerk and the typewriter and one year has elapsed. You say that everything will be over in three months. Let us be serious in this matter. I do not know what methods are to be adopted. Government know it better. I am a hopeless fellow in economic matters. I do not pretend to know about such things. But I know what is taking place in the country. It is the duty of the Government to devise some means. You must adopt some methods by which immediate relief must be given, even at a little expense to the Government.

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Do not sit here and argue that the Government will lose half a lakh or one lakh. If we all become poverty stricken fellows wherefrom will you get your money? Our people must bring the money to your treasury. So, a portion of the money may be made use of for the people also. If there is no wealth in the land your treasury will be empty. Therefore it is your self-interest—not in a very bad sense—that you must help the people at this critical moment so that your coffers may be full of money and you can utilise that wealth for various purposes. You did not hesitate to broaden the Railway. You spent money like water. You did not hesitate; you did not calculate whether it will bring an interest for the money spent. An Hon'ble Member said that it is our money. We never knew that before. You spent about 50 lakhs for the Railway. Are you sure or can you give a guarantee that you will get 5 per cent on that 50 lakhs you spent?

Mr. P. V. Subramania Ayyar.—More than that.

Dr. A. R. Menon.—That is all a problem. It may be or it may not be. Therefore in this matter it is no use calculating interest or to say that the Government will lose a lakh or two lakhs. That is not a proper thing. If you can collect money from the people you can return the money to the sources from which you borrow. Even if you suffer a little, I honestly think that it is a proper expenditure on the part of the Government to relieve this extreme distress which is felt by the high and the low, by all the people in Cochin State. I trust that you will deal with this question with the seriousness that it deserves at least this time, instead of talking about Land Mortgage Banks and taking loans. You stare at our face when we ask for some relief.

Mr. P. Krishna Menon.—Sir, as the Hon'ble the Law Member has quoted a paragraph from the Royal Agricultural Commission Report, may I also read another paragraph in that connection from the same report. "The Agricultural Commission while favouring Government assistance to Land Mortgage Banks in the form of a guarantee of interest on their debentures, do not recommend subscription by Government to their debentures, though they admit that such form of encouragement may be required in the very early stages. Such encouragement is however probably necessary to inspire confidence, until such time as the Land Mortgage Banks are in a position to stand on their own legs". Now I do not think that either the quotation that I have made or the quotation made by the Hon'ble the Law Member are quite relevant in this connection because the Hon'ble the Secretary to the Diwan has practically admitted the necessity of a Land Mortgage Bank. But his only difficulty is with regard

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to the taking of active steps in that connection. Of course as is usual with the Government they have tried to take shelter and shelve the most important subject under the guise of waiting for data. How many important subjects were shelved by saying that the matter will be looked into after the Special Finance Committee's Report is received, (*Hear, hear.*) how many questions were shelved by saying that steps will be taken after the Rural Reconstruction Committee's Report is received? Similarly with regard to the Educational Survey and the consequent Committee also. These I submit are not justifications. But the Hon'ble Secretary has gone a step further and assigned a reason for his opinion to wait, that is, to ascertain the nature of the indebtedness of the ryots, whether the indebtedness is due to the celebration of marriage festivals or going on pilgrimages, etc. I can assure the Hon'ble Secretary of the fact that not a single instance will be found where people have gone into debt under these circumstances. For it is common knowledge that it is not persons who have no money that celebrate these things on a grand scale but only persons who can spend money that do so. Therefore it is not necessary to wait for such informations. As I said I do not think that the Hon'ble mover of the resolution insisted upon the Government going in for a loan of lakhs and lakhs of rupees. The amount of Rs. 50,00,000 was specifically mentioned because I believe he was driven, in despair as it were, even to point out that source of money if the Government cannot find other money suitable for the purpose. I do not think that so much unlimited liability will be cast upon the Government if on a modest scale an experiment may be made forthwith to see whether it is not necessary in this critical condition. It is only to emphasise the urgency of the matter that I have made up my mind to support the resolution.

Mr. P. Kumaran Ezhuthassan.—Sir, I move that the question be now put.

Rama Varmha Tampuran.—No, no, the Leader of the House is on his legs.

President.—I did not see who stood up first. I was reading an important note. I ask the Leader of the Progressive Party to inform me as to who stood up first.

Mr. P. Krishna Menon.—I think it was Mr. P. Kumaran Ezhuthassan.

Mr. U. Kandar Menon.—No, it is not a fact.

President.—As a matter of courtesy, please allow the Leader to speak. There is no intention to talk out the motion.

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Mr. E. Ikkanda Warriar.—Sir, I have to submit that it is not a case whether a member is on his legs or not. The rules only lay down that a member should not move a closure motion to interrupt a speech. Since the Leader of the House has not begun to speak the closure motion is in order.

President.—As a matter of courtesy and prestige, please allow the Leader of the House to speak. I shall allow him only ten minutes.

Mr. U. Kandar Menon.—Sir, I request the Hon'ble Members may be pleased to consider the question from a dispassionate point of view. The present proposal is to start a bank and to borrow a sum of fifty lakhs for the purpose of opening the bank. Hon'ble Members will be pleased to see that the Government are taking the loan at 5 per cent interest and that interest is payable in half yearly instalments. So it will not be possible for the Government to utilise this amount for the purpose of granting loans to agriculturists except at six per cent interest. That is the minimum rate at which the Government can issue the loan. The success of a bank like this depends upon the ability of the Government to issue the loan at a very low rate of interest. Otherwise the object of the loan will be frustrated. Agricultural loans are now issued at 3 per cent interest. They are not repaid in time as observed by the Hon'ble Member for Palliviruthi. There is always a tendency among the people not to repay amounts received at a low rate of interest. About 30 to 40 per cent of the agricultural loans granted every year are in default. If we advance loans at 6 per cent the ryots will not be benefitted in any way. It is not sufficient as observed by some of the Members for the Government to see whether there is security for the loan. It is absolutely necessary to see whether there is any prospect of its being repaid. That is the most important thing.

Dr. A. R. Menon.—What is the method of finding it out?

Mr. U. Kandar Menon.—The extent of the borrower's liability and his means to repay the loan have to be ascertained. These are things which can be ascertained only after proper enquiry. I cannot do better than quote what the Royal Commission has said in this matter.

"If we rest satisfied with the covering of the loan by a sufficient security and neglect to measure the prospects of repayment in the light of the character and business reputation of the borrower their institution will merely develop into a machine for dispossessing the ancestral owner. This evil can only be avoided by the adoption of every precaution calculated to ensure repayment by the borrower".

It is not therefore sufficient to see whether the security offered is alright. We have further to see whether there is any pros-

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pect of repaying the loan; otherwise all the lands will be in the possession of the Government and the Government will find it impossible to manage their own affairs. The next step will be socialism. All the properties of the ryots will be in the possession of the Government. That will be the net result. This is not at all a proper time to start a Land Mortgage Bank. Let us clearly see the position. I will explain my position by an illustration. Suppose a person has got paddy lands yielding an annual pattom of 1,000 paras of paddy. Under the present conditions the value of such land will never exceed Rs. 10,000. Suppose the Government make it a point to advance a loan of Rs. 5,000 upon that property. The interest on that amount at 6 per cent will come to Rs. 300. Suppose that loan is made repayable in the course of 20 or 25 years. The yearly instalment of the loan to be repaid will come to Rs. 200. The borrower has also to pay tax upon the property. Normally the land tax of properties yielding a pattom of 1,000 paras of paddy will not be less than Rs. 100. It will be between Rs. 100 and Rs. 150. So the total amount payable yearly will be about Rs. 650. And what is the yield of the land? 1,000 paras of paddy. At the present market price of paddy the money value of the said paddy will not exceed Rs. 400

Dr. A. R. Menon.—Suppose you give only Rs. 2,500. Then the difficulty is over.

Mr. U. Kandar Menon.—The difficulty is not over. The payment of such an amount will not be of much help to the ryot. Unless we are prepared to advance a loan of at least 50 per cent of the value of the property offered as security the granting of the loan will not serve any useful purpose. If we do so, the borrower will have to utilise the income derived from other properties for purpose of repaying the instalment amount and interest. Under the circumstances I respectfully ask the House whether it is not better for the agriculturists concerned to dispose of their lands rather than take a loan.

Dr. A. R. Menon.—Will the Government purchase it?

Mr. U. Kandar Menon.—That is begging the question. What I want to submit is the result of instituting a bank under the present circumstances and at such a high rate of interest will be that all the lands possessed by the ryots will be in the possession of the Government and the Government will find it difficult to dispose of them. Who is going to purchase them? I respectfully submit that before instituting any such bank it is absolutely necessary for the Government to institute a proper enquiry to ascertain whether such a bank can be started with advantage to the agricultural population.

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മിസ്റ്റർ പി. കെ. നായർ.—ഇതുവരെ ഗവണ്മെണ്ടു ഭാഗത്തുനി ന്നു പറഞ്ഞിട്ടുള്ള മറുപടിയിൽ ഇതിനുമുമ്പു പറഞ്ഞിട്ടുള്ള മറു പടിയിൽ നിന്നു വിശേഷവിധിയായി ഒന്നുംതന്നെ കണ്ടില്ല. ആ മറുപടിയിലും ഞാനും ഒരു മറുപടി പറയുന്നതായാൽ വെ റുതെ സമയം കളയുമെന്നു മാത്രമേയുള്ളു. ബഹുമാനപ്പെട്ട ലീഡർ പറഞ്ഞ മറുപടിയാണു് വളരെ വിശേഷമായതു്. മറുള്ളവരെല്ലാം ഇതിൽ അഭിപ്രായവ്യത്യാസമില്ലെന്നു പറ ഞ്ഞു. അങ്ങനെ അതല്ല പറഞ്ഞതു്. റവന്യൂ മെമ്പറുടെ നി ലയ്ക്കു് ഇതിലുള്ള ബുദ്ധിമുട്ടുകളെല്ലാം നേരിട്ടറിയുവാൻ സൌകര്യ മുള്ള ഒരാളായിരുന്നിട്ടും അങ്ങേഭാഗത്തിൽനിന്നാണു് ഈ മാതിര മറുപടി കിട്ടുന്നതു്! ഈ കാര്യത്തിൽ ഗവണ്മെണ്ടിന്റെ മനഃസ്ഥി തി ഏതുപ്രകാരമാണെന്നു് ഈ സഭയിലെ അനുഭാവശൂന്യ സാ മാജികന്മാർക്കു സാധുക്കളായ കൃഷിക്കാർക്കും നല്ലവണ്ണം മനസ്സി ലായികഴിഞ്ഞു. ബാങ്കു് സ്ഥാപിയ്ക്കേണ്ട വിഷയത്തെ എതിർക്കു ന്നില്ലെന്നു് എന്നിയ്ക്കു മനസ്സിലായി. ഈ ലക്ഷം രൂപാ കടം വാ ങ്ങുന്ന കാര്യമാണു് അവർക്കു സങ്കടം. അതിനും മാർഗ്ഗമുണ്ടു്. പ്ര സിഡെണ്ടു് അവർകളോടു് എന്റെ മോഷ്യനെ താഴെ പറയും പ്ര കാരം മാറ്റം ചെയ്യുവാൻ അനുവദിക്കേണ്ടതിലേക്കു് ഞാൻ അ പേക്ഷിച്ചു കൊള്ളുന്നു.

"I have the honour to give you notice that the business of the Council be adjourned for the purpose of discussing a definite matter of urgent public importance, namely, the necessity for urgently organising a Land Mortgage Bank and for floating a loan, if necessary, for financing it."

President.—I allow it.

മിസ്റ്റർ പി. കെ. നായർ.—ഈ നിലയിലായാൽ ബുദ്ധിമുട്ടു ണ്ടാകയില്ല. ഒരു ലക്ഷമോരഞ്ചു ലക്ഷമോ ഉറുപ്പിക ഈക്കിയതു കൊണ്ടു മതിയാകുന്നതല്ലെങ്കിലും ഒന്നുമില്ലാതാകുന്നതിനേക്കാൾ ഭേദം രണ്ടു ലക്ഷമെങ്കിലും ഇപ്പോൾ ഈക്കി ബാങ്കു് തുടങ്ങട്ടെ എ ന്നുദ്ദേശിച്ചാണു് ഈ വിധം മാറ്റുന്നതു്. പ്രസംഗത്തിനു സമയം വളരെ ചുരുക്കമായതിനാൽ കൂടുതലായി ഈ അവസരത്തിൽ ഒ ന്നും പറയുവാൻഞാൻ വിചാരിയ്ക്കുന്നില്ല. ഞാൻ ഈ പ്രമോഷനെ പ്രസ്സുചെയ്യുന്നു.

Motion put and carried.

The House rose for the day at 5-30 p. m.

C. J. MATHEW,
Secretary to the Council.

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